

Message Text

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1. SUMMARY: AFTER THREE DAYS OF CONTROVERSY, THE CCU SECRE-
TARIAT FINALLY APPROVED A REVISED VERSION OF THE REPORT CGIL
SECGEN. LAMA WAS TO PRESENT ON ITS BEHALF TO THE CCU EXECUTIVE
COMMITTEE MEETING DEC 9-10. HOWEVER, CONTROVERSY WAS LIKELY
TO CONTINUE DURING THE EXECUTIVE COMMITTEE MEETING. UIL
SOCIALISTS AND CISL'S LEFT WING MADE LAMA AND THE CCU'S
MAJORITY RETRACT LAMA'S PROPOSAL FOR SEMI-ANNUAL INSTEAD OF
QUARTERLY COST-OF-LIVING INCREASES AND SUBSTITUTE A Milder
PROPOSAL TO DISCONNECT SEVERANCE PAY FROM THE ESCALATOR.

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NEVERTHELESS, LAMA STRESSED THE GRAVITY OF THE ECONOMIC

CRISIS AND THE NEED FOR LABOR TO COMMIT ITSELF TO SPECIFIC SACRIFICES, EITHER ON THE ESCALATOR OR BY RESTRAINING CONTRACT WAGE INCREASE DEMANDS, AND SUGGESTED CCU WILLINGNESS TO AGREE TO PRODUCTIVITY INCREASES AND COST REDUCTIONS WITH CONFINDUSTRIA ONCE GOI PLANS AND NEEDS ARE PINNED DOWN, LAMA REPORTEDLY PROPOSED POSTPONEMENT OF CCU-CONFINDUSTRIA NEGOTIATIONS UNTIL AFTER THE DEC 15 CCU-GOI MEETING. HE ALSO PROPOSED A JOINT MEETING BETWEEN CCU AND ECONOMIC EXPERTS OF ALL PARTIES NOT OPPOSING THE ANDREOTTI GOVERNMENT. HE NOTED THAT IT WOULD BE DIFFICULT TO MAINTAIN THE ESCALATOR SYSTEM "UNTOUCHED" AND THAT THE VARIOUS PARTIES HAD URGED LABOR TO MAKE ACCOMODATIONS IN IT. THE POSTPONED NATIONAL CONFERENCE OF DELEGATES FROM UNIONS IN THE THREE CONFEDERATIONS MAY BE CONVENED DEC 20-21 IN FLORENCE OR JAN 7-8 IN ROME. END SUMMARY.

2. ON DEC 9, AFTER THREE DAYS OF DISCUSSION, THE SECRETARIATS OF ITALY'S TRI-CONFEDERAL UMBRELLA LABOR FEDERATION (CCU) FINALLY ACCEPTED A WATERED-DOWN COMPROMISE VERSION OF CGIL SEC. GEN. LAMA'S PROPOSED REPORT TO CCU'S EXECUTIVE COMMITTEE, MEETING BEHIND CLOSED DOORS DEC 9-10. THE MEETING FINALLY BEGAN AT 6 P.M. ACCORDING TO PRESS REPORTS, LAMA'S REPORT URGES THE UNIONS TO ACCEPT THE REALITY AND GRAVITY OF THE ECONOMIC CRISIS AND ACCEPT RESPONSIBILITY FOR HELPING TO LEAD THE NATION OUT OF IT, BY DEFINING PRECISELY THE SACRIFICES THE UNIONS ARE PREPARED TO MAKE, IN ADDITION TO THE COMMITMENTS IT DEMANDS OF, AND POLICIES IT RECOMMENDS TO GOVERNMENT AND PRIVATE INDUSTRY. LAMA REPORTEDLY SUGGESTS THAT IF THE UNIONS ARE NOT PREPARED TO MODIFY THE COST-OF-LIVING ESCALATOR, THEY MUST STRICTLY LIMIT OTHER WAGE DEMANDS. IN FACT, HE WAS QUOTED AS SAYING FIAT'S LYBIAN STOCK DEAL SHOULD NOT BE USED TO JUSTIFY COMPANY LEVEL WAGE INCREASE DEMANDS, BUT INSTEAD TO JUSTIFY UNION DEMANDS FOR JOB-CREATING INVESTMENT BY FIAT.

3. ON THE KEY COST-OF-LIVING ESCALATOR ISSUE, LAMA HAD TO WITHDRAW HIS ORIGINAL PROPOSAL FOR SEMI-ANNUAL INSTEAD OF QUARTERLY COST-OF-LIVING INCREASES, AT THE INSISTENCE OF THE UIL'S SOCIALIST AND SOCIAL DEMOCRATIC MAJORITY AND CISL'S MILITANT MINORITY, AND SUBSTITUTE A MORE LIMITED CONCESSION, ELIMINATION OF COST-OF-LIVING INCREASES IN SEVERANCE PAY. WHAT IS MORE, THIS OFFER WAS MADE CONDITIONAL ON GOI AND CONFINDUSTRIA GUARANTEES THAT LIMITED OFFICIAL USE

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THE ESCALATOR WOULD REMAIN INTACT. ALL APPROVED HIS COMPROMISE FORMULA EXCEPT UIL'S REPUBLICAN MINORITY WHICH ABSTAINED, INSISTING THAT SEMI-ANNUAL ADJUSTMENTS WOULD BE MORE EQUITABLE (AFFECTING ALL WORKERS, NOT JUST THOSE RETIRING) AND, AT THE SAME TIME, MORE AFFECTING AGAINST INFLATION - IN EFFECT, THE ORIGINAL CGIL AND CISL MAJORITY POSITION. ANOTHER UIL PROPOSAL, THAT THE EXECUTIVE COMMITTEE MEETING BE OPEN TO THE PRESS, WAS VOTED DOWN BY CISL AND UIL'S MINORITY, WITH CGIL ABSTAINING.

4. LAMA'S REPORT REPORTEDLY PROPOSES A JOINT MEETING BETWEEN CCU AND THE ECONOMIC EXPERTS OF THE PARTIES NOT OPPOSING THE ANDREOTTI GOVERNMENT. THESE PARTIES, LAMA NOTED, HAVE URGED THE UNIONS TO MODIFY THE ESCALATOR SYSTEM. LAMA REPORTEDLY MODIFIED HIS ORIGINAL PROPOSAL TO MEET WITH THE SECRETARIES OF THE VARIOUS PARTIES IN RESPONSE TO CISL CONCERN THAT SUCH A MEETING WOULD HAVE A POLITICAL CONTENT PREJUDICIAL TO THE CHRISTIAN DEMOCRATS AND WITH IMPLICATIONS TOWARD MODIFICATION OF THE PRESENT POLITICAL BALANCE OF GOVERNMENT. LAMA'S REPORT MAKES IT CLEAR THAT THE MEETING WOULD NOT DEAL AT ALL WITH POLITICAL OR GOVERNMENTAL FORMULAS, BUT PURELY WITH THE ECONOMIC CRISIS.

5. LAMA REPORTEDLY EMPHASIZED THE IMPORTANCE OF MAKING SURE GOI ANTI-INFLATIONARY EFFORTS WOULD NOT LEAD TO RECESSION, BY GETTING GOI AGREEMENT TO INVESTMENT COMMITMENTS (SOUTH, CONSTRUCTION, STATE INDUSTRY, STATE ASSISTED INDUSTRY --GEPI-- AND ENERGY, ETC.), REDUCTION OF CONSUMPTION OF CERTAIN, MOSTLY IMPORTED GOODS (E.G. OIL AND MEAT), AND TO MAKE CLEAR WHAT QUANTITY OF RESOURCES THE GOI WOULD NEED AND HOW IT WOULD OBTAIN THEM, USING INCOME RATHER THAN VALUE-ADDED TAXES FOR ADDITIONAL REQUIREMENTS.

6. ONCE THE GOI POSITION WAS CLEAR, AND THE ESCALATOR SYSTEM SAFE-GUARDED, LAMA REPORTEDLY SUGGESTED THAT THE CCU SHOULD ENDORSE GOI "FISCALIZATION" OF LIMITED AMOUNTS (IN THE HUNDREDS, NOT THOUSANDS OF BILLIONS OF LIRE) OF INDUSTRY SOCIAL COSTS. LAMA ALSO REPORTEDLY REITERATED CCU WILLINGNESS TO NEGOTIATE COST-REDUCTIONS AND PRODUCTIVITY INCREASES WITH CONFINDUSTRIA IN THE AREAS OF SHIFTS, OVERTIME, HOLIDAYS, VACATIONS AND LABOR MOBILITY.

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7. LAMA'S REPORT REPORTEDLY SUGGESTED THAT THE POSTPONED NATIONWIDE ASSEMBLY OR CONVENTION OF LOCAL UNION REPRESENTATIVES FROM THE THREE CONFEDERATION BE HELD IN FLORENCE, DEC 20-21, OR ROME, JAN 7-8. LAMA INDICATED THAT THIS WOULD BE AN IMPORTANT OCCASION TO UNITE THE MOVEMENT BEHIND THE NECESSARY SACRIFICES AND TO COMBAT COMPANY-LEVEL WAGE INCREASES.

8. APPARENTLY BOTHERED BY THE "DEMAGOGIC" OPPOSITION OF SOCIALIST LABOR LEADERS TO THE COMMUNIST LABOR LEADERS' OWN "RESPONSIBLE" ADVOCACY OF ECONOMIC CONCESSIONS BY THE WORKERS TO HELP THE GOI AUSTERITY EFFORT AND RESCUE ITALY FROM THE ECONOMIC CRISIS, COMMUNIST NEWSPAPER L'UNITA' DEC 10 CRITIZED SOCIALIST TRADE UNION LEADERS BENEVENUTO (UIL SEC. GEN.) AND BONI (CGIL DEPUTY SEC.GEN.) OF MISUSING SERIOUS TRADE UNION ISSUES TO SEEK NEWSPAPERS PUBLICITY FOR THEMSELVES.BEAUDRY

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